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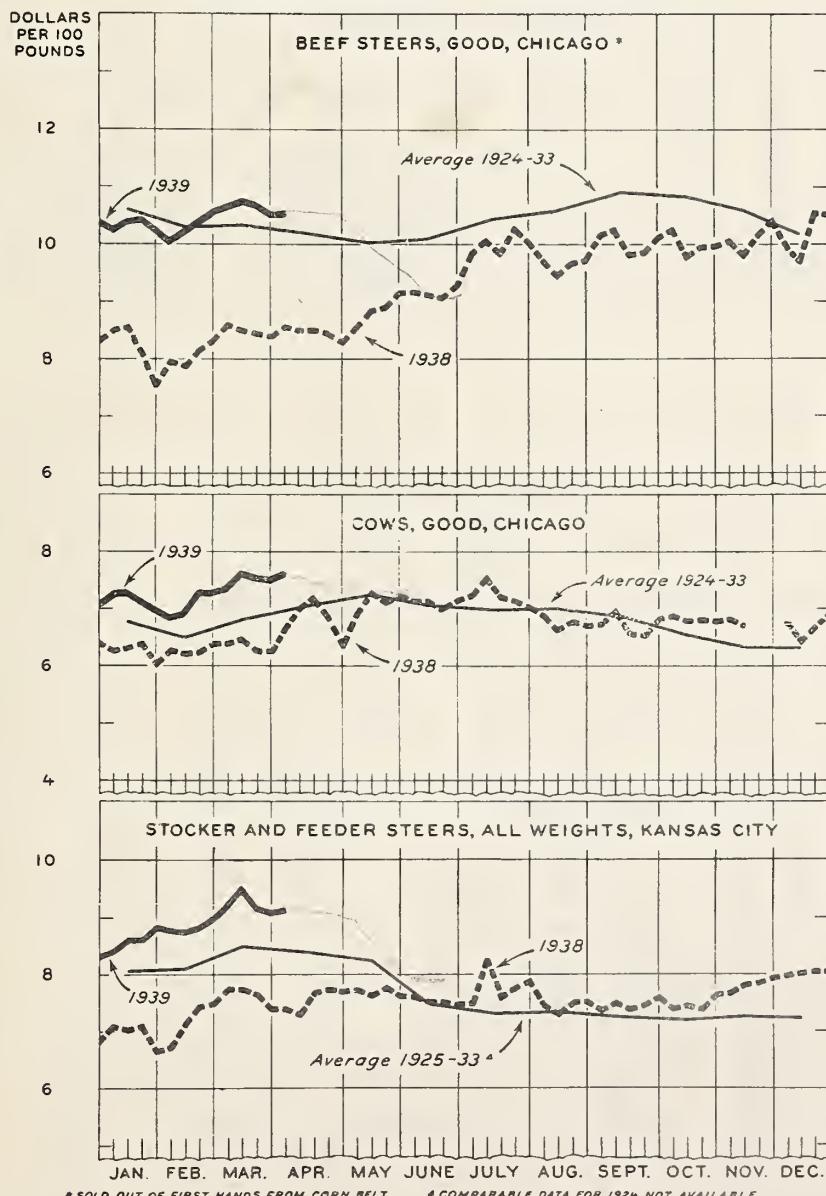
UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON

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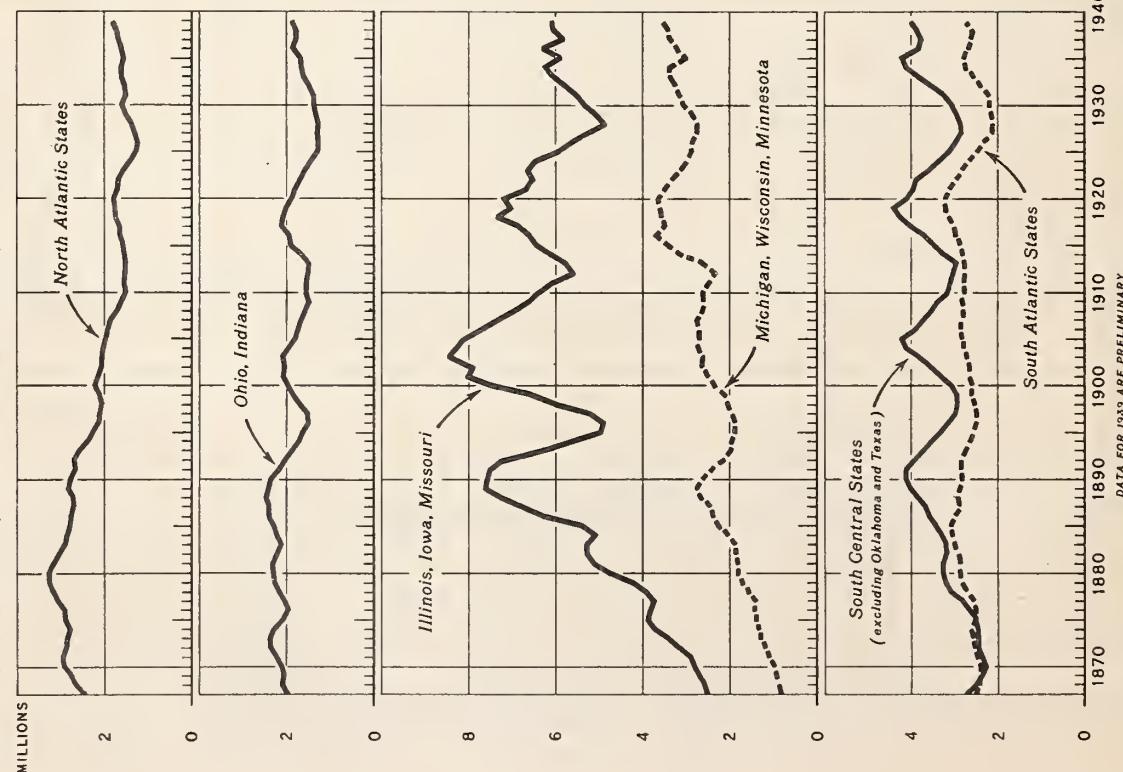
APRIL 18, 1939

THE BEEF CATTLE SITUATION

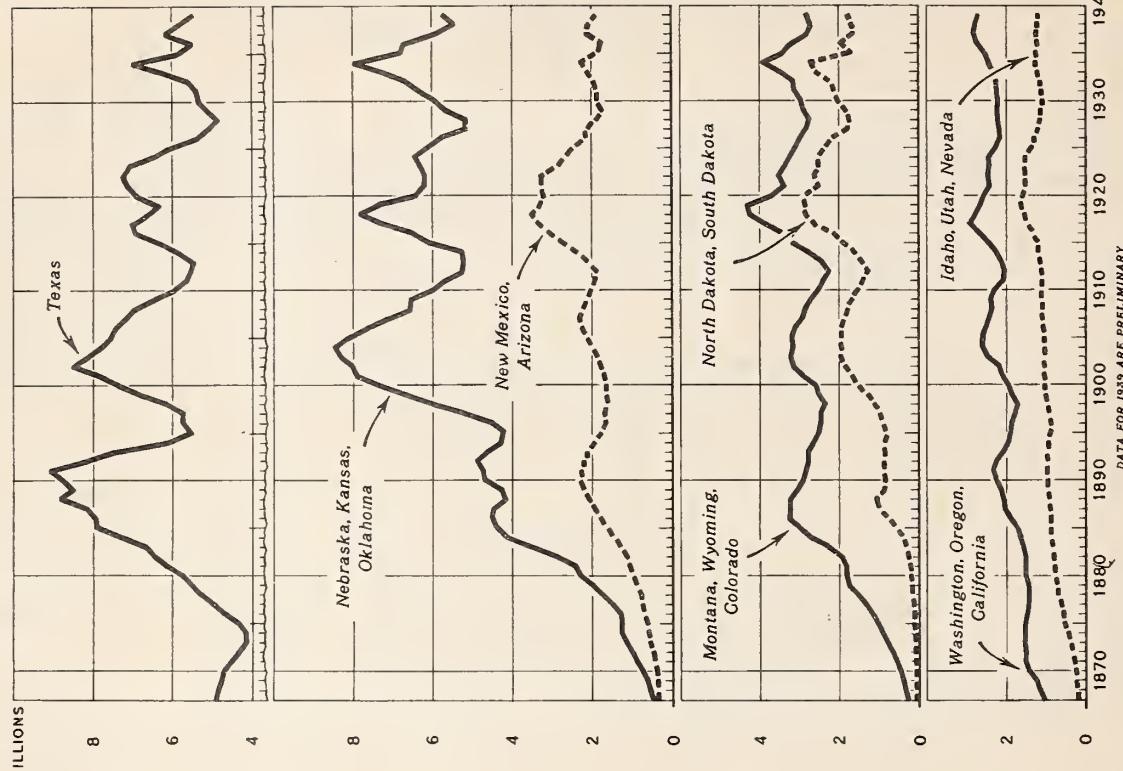
PRICES OF SLAUGHTER CATTLE AT CHICAGO AND OF STOCKER
AND FEEDER STEERS AT KANSAS CITY



CATTLE OTHER THAN MILK COWS: NUMBER ON FARMS
JANUARY 1, EASTERN REGION, 1867-1939



CATTLE OTHER THAN MILK COWS: NUMBER ON FARMS
JANUARY 1, WESTERN REGION, 1867-1939



T H E B E E F C A T T L E S I T U A T I O N

Summary

With the number of cattle on feed in the Corn Belt April 1 reported to be about 13 percent larger this year than last, marketings of fed cattle during the late spring and summer months are expected to exceed those of corresponding months a year ago, according to the Bureau of Agricultural Economics. Marketings of fed cattle usually increase during the spring and early summer, reaching a seasonal peak about August.

Though prices of grain-fed cattle frequently decline during the spring, as marketings increase, prices of the lower grades of cattle, with seasonally small supplies, usually advance.

Because of the present tendency to increase cattle herds, slaughter of cows and heifers is expected to continue below that of a year earlier during most of 1939. This will be a factor tending to support cattle prices. And the demand for meats probably will remain stronger than a year earlier through the summer at least.

Farmers' intentions as reported about March 1 indicated little change in the total acreage to be planted to feed grains this year compared with last. But an increase of about 8 percent is expected in the number of grain-consuming units of livestock and poultry on farms during 1939. Hence, although carry-over of feed grains at the beginning of the 1939-40 marketing season may be larger than a year earlier, it seems likely that feed grain supplies per unit of livestock in 1940 will be smaller than in the present year, and conditions probably will be somewhat less favorable to increased livestock production next year.

Cattle prices, supported by reduced slaughter and stronger consumer demand, have averaged \$1 to \$2 higher thus far in 1939 than in the corresponding period of 1938. In early April, prices of slaughter steers and heifers were slightly lower than a month earlier, but prices of all grades of slaughter cows were higher.

REVIEW OF RECENT DEVELOPMENTS

BACKGROUND: Prices of the better grades of slaughter cattle, after declining sharply in late 1937 and early 1938, made a steady recovery during the remainder of 1938 and in the first two months of 1939. Prices of the lower grades of cattle declined seasonally during the summer months last year, but since October prices of such cattle have advanced. With a sharp reduction in cow and heifer slaughter last year, total cattle slaughter was somewhat smaller than in 1937. But slaughter supplies of cows and heifers, as well as steers, were above average levels in 1938.

Prices of lower grade cattle continue advance

Prices of all grades of cattle advanced fairly sharply in early March, but declined as a result of increased marketings during the latter part of the month. In early April, prices of the better grades of steers remained about unchanged, while prices of slaughter cows and of stocker and feeder cattle again advanced.

For the week ended April 8, the average price of good grade steers at Chicago was \$10.52 per 100 pounds, slightly lower than a month earlier, but about \$2 higher than a year earlier. The average price of good grade slaughter cows was \$7.60, 25 cents higher than a month earlier, and nearly \$1 higher than a year earlier.

Prices of stocker and feeder steers at Kansas City, in early April, were about \$1.70 higher than a year earlier, and were the highest for the period in 9 years. The high prices of stocker and feeder cattle reflect the strong demand for such cattle as a result of the abundant supplies of low prices of feeds, and of the relatively high prices for slaughter cattle.

Cattle slaughter below that of 1938

The number of cattle slaughtered under Federal inspection in March totaled 774,000 head, 19 percent more than in February - a short month, - but 4 percent less than in March 1938. Inspected calf slaughter increased seasonally in March, but was 5 percent smaller than that of a year earlier.

For the first 3 months of 1939, inspected cattle slaughter was 7 percent smaller than in the corresponding period last year, most of the reduction occurring in breeding stock. Inspected calf slaughter was 3 percent below that of the first quarter a year ago.

Increased number of cattle on feed in the Corn Belt

The number of cattle on feed for market in the 11 Corn Belt States on April 1 this year was estimated to be about 13 percent larger than a year earlier, the greatest increase occurring in the Western Corn Belt States. But the number of cattle on feed in the Western Corn Belt on April 1 was still considerably below the 5-year (1929-33) pre-drought average. The number on feed in the Eastern Corn Belt States on April 1 was the largest in 10 years. For the Corn Belt as a whole, the number of cattle on feed in early April this year apparently was somewhat smaller than in most of the 15 years prior to 1934.

Indications were that the number of cattle still on feed in Colorado on April 1 this year was about 5 percent below that of a year earlier. The number on feed in the Scottsbluff section of Nebraska was about 10 percent smaller than a year earlier.

Western cattle in good condition

Warm weather during the latter part of March opened western ranges that were snow bound, and started new grass. Ranges generally carry a good supply of old grass, and in most areas there is an abundant supply of supplemental feed. Cattle have come through the winter in good condition, and the prospects for a good calf crop are excellent.

Soil moisture at the end of March was good in all range areas, except in parts of Texas and California. Adequate moisture plus warm weather are giving new feed a good start.

Cattle imports decrease in February and March, increase in April

Cattle imports in February totaled about 70,000 head compared with 115,000 head in January. Most of the imports in February consisted of cattle and calves weighing less than 700 pounds, imported from Mexico for stocker and feeder purposes.

The quarterly duty-reduction quota for cattle weighing 700 pounds and over was filled in early February; imports of such cattle in February were about 85 percent smaller than in January, and continued small in March. Imports of heavy quota cattle, however, again were relatively large in early April, when the duty for such cattle was reduced from 3 to 1.5 cents per pound.

The reduced rate of duty on heavy cattle will remain in effect during the present quarter (April-June) so long as the quota of 60,000 head - 52,000 head for Canada, 8,000 head for all other countries- remains unfilled. (BCS - Mar. 1939). But Mexico had supplied more than enough heavy cattle by the end of March to fill its April-June share of the quota; these cattle were held in bonded pastures to April 1.

Cattle imports totaling 185,000 head for the first 2 months of 1939 were the largest for the period on record. Imports of heavy quota cattle totaled 62,000 head, more than half of which originated in Canada. The record size of imports, however, was due largely to the 106,000 head of nonquota cattle weighing 200 to 699 pounds (duty 2.5 cents per pound), almost all of which came from Mexico. These large imports from Mexico apparently were a result of the strong demand for stocker and feeder cattle in the United States, the unsettled economic situation in Mexico, and poor feeding conditions in parts of that country this year.

Table 1.-Cattle imports from Canada, Mexico, and all countries, by weight groups, January-February, 1936-39

	Canada			Mexico			All countries					
Period	:Less :than :200:	:700 :	:All :200:	:Less :than :200:	:700 :	:All :200:	:Less :than :200:	:700 :	:All :200:			
	:200 :	699 :	and :cat-:	200 :	699 :	and :cat-:	200 :	699 :	and :cat-:			
	:1bs. :	1bs. :	over: tle :	1bs. :	1bs. :	over: tle :	1bs. :	1bs. :	over:tle			
	:1/ :	2/ :	3/ :	:1/ :	2/ :	3/ :	:1/ :	2/ :	3/ :			
	:Thou- :sands	Thou- :sands	Thou- :sands	:Thou- :sands	Thou- :sands	Thou- :sands	:Thou- :sands	Thou- :sands	Thou- :sands			
	:	sands	sands	:	sands	sands	:	sands	sand			
Jan.-Feb:	:	:	:	:	:	:	:	:	:			
1936	: 2	1	17	22	*	22	6	28	2	24	23	50
1937	: 11	1	36	50	*	34	10	45	11	36	45	95
1938	: 8	*	6	16	*	25	6	31	8	25	12	47
1939	: 7	1	35	44	8	105	27	140	15	106	62	185

Compiled from reports of the United States Department of Commerce.

1/ Less than 175 pounds prior to 1939.

2/ 175-699 pounds prior to 1939.

3/ Excluding cattle imported for dairy purposes.

* Less than 500 head.

OUTLOOK

Marketings of fed cattle delayed; expected to be large in summer months

The number of cattle on feed in the Corn Belt January 1 this year was estimated to be 7 percent larger than a year earlier, but the number on feed in early April was reported to be about 13 percent larger than a year earlier. Marketings of fed cattle from January through March this year were smaller than in the corresponding period of 1938. This bears out the indication given in January that because of the kind of cattle on feed and of favorable feeding conditions an unusually large percentage of the cattle on feed in early January would not be marketed until after April 1.

Reports from a large number of Corn Belt feeders indicate that the proportion of cattle on feed April 1 to be marketed from April through June will be a little larger this year than last, but will be much below that in any of the preceding 10 years. Except for last year, the proportion to be marketed after August 1, however, apparently will be the largest in 10 years.

Marketing intentions reports, together with the estimated increase in the number of cattle on feed April 1, indicate that the supply of fed cattle will be larger than last year from now until early fall, the largest increases over a year earlier occurring in July and August. Marketings of fed cattle usually reach a seasonal peak in August.

Cattle prices supported by reduced cow marketings, stronger consumer demand

Prices of the better grades of steers and heifers frequently decline during the spring months with seasonal increases in marketings, but prices of the lower grades of slaughter cattle usually advance during this period because of seasonally small supplies. As a result of the present tendency to increase cattle herds, more cows and heifers probably will be withheld for breeding purposes this year than last, and slaughter of such cattle is likely to continue smaller than a year earlier during most of 1939.

Reductions in cow and heifer slaughter during the next few months, from a year earlier, probably will more than offset any increase in steer slaughter that may occur. This will be a factor tending to support cattle prices. And consumer incomes and the demand for meats probably will continue stronger than a year earlier.

Reduction in feed-grain supply per unit of livestock indicated

On the basis of reports from farmers about March 1 regarding plans for the 1939 season, the acreage to be planted to feed grains this year is indicated to be about the same as that planted last year. It seems likely, however, that the acreage to be planted to corn will be the smallest in 40 years, and that planted to oats will be the smallest in 30 years. But large acreages of barley and grain sorghums are in prospect.

Table 2.-Prospective plantings of feed crops in 1939
(Based on farmers' intentions as reported about March 1)

Crop	Planted acreages					
	: Average : 1938		: Indicated: 1939 as percentage of			
	: 1929-38 : : acres : : 1,000 : : 101,714 : : 39,472 : : 12,654 : : 8,389 : : 4,716 : : 55,746 : :		: 1939 : Average : : acres : : 1,000 : : 93,257 : : 36,615 : : 11,334 : : 8,582 : : 6,858 : : 56,309 : :		Percent : 90 : 90 : 104 : 116 : 163 : 103 : :	
Corn, all	1,000	1,000	1,000			
Oats	acres	acres	acres	Percent	Percent	
Barley	101,714	93,257	92,062	90	99	
Grain sorghums, all ...	39,472	36,615	35,393	90	97	
Soybeans 1/	12,654	11,334	13,219	104	117	
Tame hay 2/	8,389	8,582	9,779	116	114	
Soybeans 1/	4,716	6,858	7,691	163	112	
Tame hay 2/	55,746	56,309	57,231	103	102	

1/ Grown alone for all purposes. Partly duplicated in hay acreage.

2/ Acreage harvested.

Allowing for about the usual differences between spring intentions and actual harvest, and for an increase of about 8 percent in the number of units of grain-consuming livestock and poultry on farms during 1939, it appears that there will be only about 1.07 acres of the feed grains harvested for each unit of livestock that will be on farms next winter. This compares with 1.15 acres per unit in 1938, and a 10-year (1929-38) average of 1.17 acres. Carry-over of feed grains at the beginning of the 1939-40 season probably will be somewhat larger than at the beginning of the marketing season last year. But carry-over is such a small proportion of production that, with average yields, a decrease in total supplies of feed grains per unit of livestock is indicated for the 1939-40 marketing season.

With reduced supplies of feed grains in relation to livestock numbers, livestock-feed price ratios probably will be somewhat less favorable as factors encouraging increased livestock production in 1940 than in 1939. However, with about normal yields, feed supplies per unit of livestock are likely to remain somewhat above average, and further increases in livestock production probably will take place in 1940. Prices of both livestock and feeds in late 1939 and 1940 will be affected to a considerable extent by the course of business activity, consumer incomes, and the demand for meats during the next 20 months.

CATTLE PRODUCTION IN CANADA 1/

The general trend in cattle production in Canada during the past 30 years has been similar to that in the United States, but cattle numbers in Canada have increased relatively more than in this country. In the period 1910-14, there were about 10 percent as many cattle in Canada as in the United States,

1/ In view of the widespread interest in cattle imports evoked by the new trade agreement with Canada, this statement has been prepared to show the comparative nature of cattle production in the United States and Canada. Adequate data on Mexican cattle production unfortunately are lacking.

whereas during the past 5 years there were about 12 percent as many.

Cattle numbers in Canada have been larger in relation to human population than in this country. On December 1, 1938, there were about 75 head of cattle in Canada for each 100 persons compared with about 51 head in the United States. Canada has maintained slight export balances for cattle and beef, whereas the United States has been on an import basis for live cattle since 1909, and for beef and veal since 1922. Most of the cattle exported from Canada in recent years have been to the United States, with relatively small numbers going to the United Kingdom and other countries.

Most cattle in Canada are of dairy types. Ontario, the largest cattle producing province, had 2,492,000 head of cattle and calves on farms June 1, 1938, but of these only about one-fourth were beef-type animals. For Canada as a whole, the percentage of beef-type animals last year amounted to 24 percent of the total. In only two provinces was the proportion of beef-type animals greater than 25 percent - in Alberta and British Columbia, where such animals made up 45 and 44 percent respectively of the total cattle population.

Table 3.-Number of cattle on farms in Canada, by classes, June 1, 1938

Class	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Total
	: Thous.	: Thous.	: Thous.	: Thous.	: Thous.	: Thous.	: Thous.	: Thous.	: Thous.	: Thous.
Milk cows	: 46	116	113	982	1,174	384	497	441	122	3,874
Milk yearlings	: 12	30	29	243	247	90	117	104	26	897
Beef cows	: 5	8	8	41	74	51	79	213	52	530
Beef yearlings	: 4	7	5	25	100	22	40	80	23	306
Steers	: 8	24	9	37	275	84	73	152	43	706
Bulls	: 2	6	9	90	59	22	28	32	8	258
Calves	: 22	46	44	392	562	188	295	339	51	1,941
Total 1/	: 99	236	217	1,809	2,492	842	1,129	1,362	325	8,511
Milk cows & yearlings	: 58	146	142	1,225	1,421	474	614	545	148	4,771
Beef cows, yearlings & steers	: 17	39	22	103	449	157	192	445	118	1,542
Total milk and beef animals 2/	: 75	185	164	1,328	1,870	631	806	990	266	6,313
Beef animals as percent of total:	: Per cent	: Per cent	: Per cent	: Per cent	: Per cent	: Per cent	: Per cent	: Per cent	: Per cent	: Per cent
2/	: 22.7	21.1	13.4	7.8	24.0	24.9	23.8	44.9	44.4	24.4

1/ Totals of unrounded numbers. 2/ Excluding bulls and calves.

Primary data compiled from Field crops and livestock of Canada, 1938, Dominion Bureau of Statistics, Ottawa, December 5, 1938. (Mimeographed.)

Cattle numbers in Canada, as in the United States, decreased from 1934 to 1938. But in late 1938 a slight increase in numbers occurred. Although the cattle population on June 1 last year was reported to be 4 percent smaller than a year earlier (chiefly because of severe drought and liquidation of cattle in Saskatchewan during 1937), on December 1 last year the cattle population in Canada totaled 8,091,100 head, 0.1 percent larger than on December 1, 1937. A further increase in the cattle population in Canada is expected to take place this year.

Table 4.-Cattle numbers in the United States and Canada, 1910-39

Year	United States, January 1			Canada, June 1			1/ : All cattle, number : in Canada as per- centage of number : in United States
	Milk		Other	All	cows	Other	
	All	cows	2/	cattle	3/	cattle	
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Percent
1910	58,993	19,450	39,543	7,105	2,854	4,251	12.0
1911	57,225	19,422	37,803	6,533	2,594	3,939	11.4
1912	55,675	19,517	36,158	6,432	2,604	3,828	11.6
1913	56,592	19,580	37,012	6,656	2,740	3,916	11.8
1914	59,461	19,821	39,640	6,037	2,673	3,364	10.2
1915	63,849	20,270	43,579	6,066	2,667	3,399	9.5
1916	67,438	20,752	46,686	6,594	2,833	3,761	9.8
1917	70,979	21,212	49,767	7,921	3,202	4,719	11.2
1918	73,040	21,536	51,504	10,046	3,539	6,507	13.8
1919	72,094	21,545	50,549	10,085	3,548	6,537	14.0
1920	70,400	21,455	48,945	9,572	3,505	6,067	13.6
1921	68,714	21,456	47,258	10,207	3,738	6,469	14.9
1922	68,795	21,851	46,944	9,720	3,746	5,974	14.1
1923	67,546	22,138	45,408	9,246	3,659	5,587	13.7
1924	65,996	22,331	43,665	9,461	3,727	5,734	14.3
1925	63,373	22,575	40,798	9,307	3,830	5,477	14.7
1926	60,576	22,410	38,166	8,571	3,839	4,732	14.1
1927	58,178	22,251	35,927	9,150	3,883	5,267	15.7
1928	57,322	22,231	35,091	8,772	3,782	4,990	15.3
1929	58,877	22,440	36,437	8,825	3,685	5,140	15.0
1930	61,003	23,032	37,971	8,937	3,683	5,254	14.7
1931	63,030	23,820	39,210	7,973	3,372	4,601	12.6
1932	65,770	24,896	40,874	8,511	3,594	4,917	12.9
1933	70,214	25,936	44,278	8,876	3,694	5,182	12.6
1934	74,262	26,931	47,331	8,952	3,864	5,088	12.1
1935	68,529	26,069	42,460	8,521	3,849	4,972	12.9
1936	67,929	25,439	42,490	8,841	3,885	4,956	13.0
1937	66,803	24,993	41,810	8,840	3,940	4,900	13.2
1938	66,083	24,834	41,249	8,511	3,874	4,637	12.9
1939 4/	66,821	25,093	41,728				
	Number in 1938 as percentage of number in 1910						
	Percent	Percent	Percent	Percent	Percent	Percent	
	112.0	127.7	104.3	119.8	135.7	109.1	

1/ Compiled from Canada Yearbook, and Monthly Bulletin of Agricultural Statistics, Dominion Bureau of Statistics, Ottawa. 2/ Cows and heifers 2 years old and over kept for milk. 3/ Essentially the same classification as in the United States. Excludes "milk yearlings" and all calves. 4/ Preliminary.

Table 5.-Price per 100 pounds of cattle and calves, March 1939, with comparisons

Item	Mar.					
	av.	Mar.	Mar.	Jan.	Feb.	Mar.
	1924-33	1937	1938	1939	1939	1939
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Beef steers sold out of first hands at Chicago:	:					
Choice and Prime	11.32	14.25	9.43	12.19	11.98	12.45
Good	10.34	11.51	8.49	10.35	10.23	10.64
Medium	9.23	9.12	7.68	8.76	8.94	9.20
Common	8.10	7.35	6.86	7.36	8.09	8.31
All grades	9.63	10.79	8.46	10.35	10.17	10.29
Cows, Chicago:	:					
Good	1/6.80	7.14	6.34	7.16	7.00	7.45
Low cutter and cutter	2/4.19	4.55	4.66	4.92	4.94	5.12
Vealers, Chicago:	:					
Good and choice	10.58	9.01	9.05	9.96	10.86	10.38
Stocker and feeder steers,	:					
Kansas City:	:					
500-800 pounds-	:					
Good and choice	3/	7.74	7.64	8.76	8.88	9.38
800-1,050 pounds-	:					
Good and choice	3/	8.09	7.48	8.67	8.75	9.28
Average price paid by packers:	:					
Cattle	7.79	7.65	6.91	7.70	7.87	
Calves	9.46	7.89	7.93	8.69	9.24	
Average wholesale price of packer:						
hides, Chicago: 4/	:					
Heavy native steers	12.73	16.62	10.55	11.50	10.28	10.53
Light native cows	11.89	15.46	8.70	11.15	10.12	10.50

1/ Good and choice, 1924-27.

2/ Canner and cutter, 1924-June 1926.

3/ Not available.

4/ 1924-37 from annual reports of the Chicago Board of Trade; 1938 and 1939 from The National Provisioner, simple average of weekly quotations.

Table 6.- Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month		
		Average: 1924-33:	1938	Mar. 1938	Feb. 1939	Mar. 1939
Slaughter under Federal inspection:	:	:	:			
Number slaughtered: 1/	:Thou-					
Cattle.....	:sands	8,850	9,776	809	653	774
Calves.....	: do	4,819	5,492	506	385	478
Beef steers sold out of first hands at Chicago:	:	:	:			
Choice and Prime.....	: do	159	275	16	9	7
Good.....	: do	471	408	34	28	33
Medium.....	: do	416	167	23	16	23
Common.....	: do	105	29	3	2	4
All grades 2/.....	: do	1,151	879	77	55	67
Receipts of cattle at seven markets 3/	: do	4,8,044	7,094	565 5/	415 5/	496
		Year		Month		
		Average: 1924-33:	1938	Feb. 1938	Jan. 1939	Feb. 1939
Slaughter under Federal inspection:	:	:	:			
Number slaughtered:	:Thou-					
Cows and heifers.....	:sands	4,181	4,864	345	393	312
Steers.....	: do	4,340	4,516	353	339	315
Average live weight:	:	:	:			
Cattle.....	:Pound	953	921	930	947	942
Calves.....	: do	176	189	174	180	179
Average dressed weight:	:	:	:			
Cattle.....	: do	516	494	504	507	508
Calves.....	: do	101	106	100	102	100
Total dressed weight:	:	:	:			
Cattle.....	:Mil.lb	4,532	4,798	359	384	330
Calves.....	: do	487	581	40	42	38
Stocker and feeder shipments from public stockyards: 6/	:Thou-					
Cattle.....	:sands	3,073	2,940	112	209	157
Calves.....	: do	365	666	25	50	56
Imports:	:	:	:			
Cattle 7/.....	: do	253	434	24	115	70
Canned beef 8/.....	:Mil.lb	2/ 36	79	3	4	3

1/ Bureau of Animal Industry. 2/ Totals of unrounded numbers. 3/ Chicago, Kansas City, Omaha, East St. Louis, St. Joseph, Sioux City, and St. Paul.

4/ Average 1929-33. 5/ Receipts for sale only - excludes through shipments not offered for sale and directs. 6/ Approximately 62 public stockyards prior to 1936, when the number was increased to 69. 7/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 8/ United States Department of Commerce. Imports for consumption. 9/ Figures include "other canned meats" prior to 1929.

